

Advisory Committee Meeting

April 14, 2005

9:00 a.m.-3:30 p.m.

Sterling Hotel, Sacramento

REMARKS FROM LESTER SNOW, DWR DIRECTOR	1
UPDATE ON PUBLIC HEARINGS	3
PUBLIC REVIEW DRAFT: OUTLINE OF CHANGES MADE AS A RESULT OF ADVISORY COMMITTEE INPUT	4
PREVIEW OF PRESENTATION FOR PUBLIC HEARINGS IN JUNE	4
DOCUMENT REVIEW AND DISCUSSION	6
RECAP OF ANALYSIS OF SCENARIOS AND RESPONSE STRATEGIES	6
DISCUSSION ON “STATEWIDE SCENARIO DEMAND CHANGES BY SECTOR” GRAPH	7
STAFF UPDATES ON PHASE 2 WORK	9
<i>New Water Plan Web Portal</i>	9
<i>Phase 2 Water Portfolios</i>	9
NEW TECHNICAL INFORMATION INCLUDED IN AGRICULTURAL WATER USE EFFICIENCY STRATEGY NARRATIVE	9
ADVISORY COMMITTEE ROLES AND ASSIGNMENTS FOR PUBLIC HEARINGS	9
REVIEWER’S GUIDE DISCUSSION	10
CLOSING REMARKS	10

All presentations and handouts are available at the Water Plan Meeting Materials web page at
<http://www.waterplan.water.ca.gov/materials/index.cfm>

REMARKS FROM LESTER SNOW, DWR DIRECTOR

DWR Director Snow opened the meeting with an address to the Advisory Committee, stating that the Public Review Draft of the California Water Plan is a significant document. Director Snow congratulated members of the Advisory Committee for sticking with the process for over four years despite some difficult disagreements along the way. He hoped that members of the Advisory Committee will continue to stick with it as DWR moves through the public review process and onto publishing the final document in the fall.

This is not just another update of the California Water Plan. It represents a fundamental shift in how people look at water resources management. It recognizes the need for a comprehensive approach in order to succeed and that we need to work with different entities cooperatively in managing the state’s water resources. It looks at water as a resource whose management involves many responsibilities and raises many issues. It recognizes that there are no silver bullets for managing water.

Integrated regional water resources management is the future for California. DWR has already had discussions with the Administration about what needs to be done to support that. The way to sustain the momentum that this Water Plan Update process has started is with a stable revenue source and a stable

Advisory Committee Meeting

April 14, 2005

9:00 a.m.-3:30 p.m.

Sterling Hotel, Sacramento

investment strategy. DWR has been having internal discussions about the need for a California Water Resource Investment Fund so that DWR has the ability to do what is outlined in the Water Plan. The regions will need funds to do what they need to do. At this point DWR wants to engage people in the discussion about the investment fund. In concept it would be funded by a water user fee (a dollar or two a month). At least half of funds will be reserved to be sent back to the region from which they came, and the other half would be for state activities and grant monies to supplement regional activities.

The Director affirmed DWR's commitment to proceeding with the investment fund idea, to implementing the Water Plan, and to making a fundamental change in how water is managed in California. DWR wants to start moving on the basic concepts included in this Update 2005 even before the public review period is over. DWR wants to have a sustainable water resource management strategy, and we need to start now.

Discussion:

Q: Complement the DWR staff for their work during this long process. Do you see this as moving into more of an ongoing water plan process rather than a 5-year cycle?

A: Yes. This seems like the right thing to do in light of the major shift. We need to continually update, re-evaluate, etc. The Water Plan bears this out in its recommendations. Integrated regional planning builds from the bottom up to a state strategy, and this will be an ongoing process. We need to continually pursue water use efficiency, water quality, ecosystem/environmental stewardship, etc. Pursuing these things allows us to pursue integrated regional management and improve the overall efficiency in the system.

Q: Will there be any relationship between the proposed investment fund (especially the state's half of the money) and CALFED?

A: Yes. The revenues could be used to accomplish many of the CALFED objectives. It is not our attempt to hide a CALFED fee in this fund, but there will be overlap in accomplishing CALFED objectives through the expenditure of the revenues.

Q: It has always been clear to the Advisory Committee that there aren't enough funding resources to update the modeling scenarios and other tools to be more accurate, reflective of reality, etc. Will some of the money be for that?

A: Yes, some of the state's portion of the money could be used in developing those tools. We are open to input on how the resources would best be spent. We want to develop and protect a general water resource management fund that would be for water only. We need to design the fund to make sure that what happened to the transportation fund can't happen (i.e. revenues being moved elsewhere to deal with the budget deficit).

Q: The integrated planning approach is very encouraging. It is something that was intuitive to lots of folks already. We need to go back to regional solutions and grow them. In fact, many regional processes are growing already. One of the concerns some of the upstream folks have had for awhile is that it is practically impossible to qualify for state grant funds (such as from the water bond) because their projects don't have a specific CALFED benefit. There needs to be a reconciliation of this CALFED litmus test for

Advisory Committee Meeting

April 14, 2005

9:00 a.m.-3:30 p.m.

Sterling Hotel, Sacramento

reinvestment in the regions. DWR will obviously have a different sort of role in overseeing the integration of the regional plans. Will the money be for that and how will you do that?

A: Yes, the DWR role will be critical in oversight, etc. We need to shift our traditional role to make the process work. Regions should get money for good planning regardless of where the benefit is going.

Q: It will be paramount that it be clearly understood that the funds will come back equally to all. Private utilities (20 percent of California water connections) need to be ensured that they will see a benefit.

A: Yes, agreed.

Q: The chart on page 15 of the *California Water Plan Highlights* document shows two of the most promising areas for water use efficiency: urban conservation and recycling. It isn't just money that's needed to make these things happen. There are other issues involved, such as regulatory issues, etc.

A: Yes, there are some major obstacles other than financial to implementing some of these types of programs (e.g. waste discharge regulations, etc.).

Q: In terms of facilitating the regional plans, very much of this plan is oriented towards assisting the regions. But the leadership role is also critical. The State and DWR need to view themselves as trustees of California's water. In the rush to support market-based solutions, there is tremendous privatization going on. A lot of these private interests aren't defending public interests and public rights. How can DWR maintain its role as a trustee while it encourages these regional solutions?

A: Actually, I think it will be easier. I don't see it as just DWR's role to act as the trustee and provide leadership. Fish & Game, the water boards, and others all have a role. Everyone involved needs to be at the table.

Q: When deciding how to spend revenues from the user fee, some of the fine meshes it should go through at a minimum are that things should be cost effective, environmentally friendly, etc. Need to support a resource efficient scenario, which unfortunately we don't yet have in the Plan's scenarios yet.

A: Agreed. DWR is committed to establishing a water resource investment fund because having enough money to support the Plan's recommendations is the goal. If the utility fee doesn't work we'll pursue something else. We're not going to allow the debate to become about the user fee. We are committed to getting the water resources investment fund established, and we need to figure out how to get it done.

UPDATE ON PUBLIC HEARINGS

Speaker: Paul Dabbs, DWR

See handout: "Schedule for Completion"

There is a one-page handout in your packets about the schedule. The Public Review Draft of the Plan has officially been released. All volumes are posted electronically, and hard copies of the first four volumes will be printed in two to three weeks. (Note: Volume 5 is online only, this is the technical

Advisory Committee Meeting

April 14, 2005

9:00 a.m.-3:30 p.m.

Sterling Hotel, Sacramento

documentation.) A packet will be mailed out to all Advisory Committee members with the *Highlights* document and Volume 1 with all volumes on a CD. We will print Volumes 2, 3 and 4 on request. Public comments will be gathered through June 30. There will be ten public hearings. There will also be two evening call-in sessions (via an 800 number) sometime in June for those who can't make it to any of the public hearings. People can comment by mail, e-mail, fax, etc. The final Plan will be done in the fall. Hold June 9 for a morning workshop on the Phase 2 process and the Sacramento public hearing in the afternoon. There will be no AC meeting on June 9; the next one will be in mid-August. DWR will be finalizing dates and logistics for public hearings next week. We hope AC members can help host, attend, present, and conduct outreach. Hearings will be very interactive, have discussion time, report-out, etc. They will be very different than in the past.

PUBLIC REVIEW DRAFT: OUTLINE OF CHANGES MADE AS A RESULT OF ADVISORY COMMITTEE INPUT

Speaker: Kamyar Guivetchi, DWR

See handout: "Summary of Changes After AC Preview Draft"

Kamyar briefly explained that all comments received on the "Preview" draft to the AC were considered when preparing the Public Review Draft. The handout shows what the comments were and how they were addressed. There were relatively few additional comments on Volumes 2, 3, and 4.

PREVIEW OF PRESENTATION FOR PUBLIC HEARINGS IN JUNE

Speaker: Kamyar Guivetchi, DWR

See PowerPoint presentation: "Draft Slides for Public Hearings in June"

Kamyar showed a draft PowerPoint presentation that was meant to be shown at the public hearings in June. He asked the AC for feedback.

Discussion:

Q: The presentation doesn't follow the *Highlights* document. Could the presentation be rearranged so that it will be easier for people to follow along at the public workshops?

A: The intent of the presentation isn't to walk through the *Highlights* document, but rather to give attendees at public workshops an overview of the process and the Plan. The presentation includes information not included in the *Highlights* document. I'll make sure to point this out to people at the beginning of the presentation to avoid any confusion.

Q: Might want to be clear that just because there are ten hydrologic regions doesn't mean that there will be just ten regional plans. Regions may divide differently for planning purposes.

A: Agreed.

Advisory Committee Meeting

April 14, 2005

9:00 a.m.-3:30 p.m.

Sterling Hotel, Sacramento

Q: Will you be adding any region-specific discussion at the public hearings?

A: That's a great idea. We'll look into it.

Q: Struggling with the chart on page 5 of the *Highlights* document. Maybe your presentation could explain it a bit, because it's not intuitive at all and may confuse people. It makes it look like in the urban sector, water demand will always be going up, and in the agricultural sector it will always be going down. This doesn't mesh with most people's perception of reality and will raise a lot of questions. (While it may be true, it needs explanation ahead of time to prevent confusion.)

A: Can try to add that in somewhere. Chart is trying to show the change over time, but I can try to explain that to people.

Q: The graph on page 2 of the Highlights document about water balance is very useful, but can one more piece of information be added in? I suggest putting a line in the groundwater portion to show how much of it was overdraft.

A: I don't think we have that information. Overdraft is a long-term phenomenon. We aren't changing the Highlights document at all until after the public review period, but I can at least point these things out in the presentation.

Q: You may get questions from local government folks/land use planning folks about how this Plan will influence land use planning decisions. Does the Plan mean that State government will be getting more involved in local land use planning as it relates to water? It may trigger some fears about state intervention. You may want to address this in the presentation.

A: Land use is included in the 5 goals and the 14 recommendations, but can highlight it more. We want to encourage better land use/water integration, not mandate it. I will try to make this clear.

Q: You're presenting a lot of information to people who haven't been able to look at it ahead of time. How much time will you be devoting to this presentation?

A: Not sure. It depends on the length of the workshops. I'm thinking about possibly breaking the presentation into a few parts with discussion in between. We may lose people's focus if we do it end to end.

Q: The presentation about the Plan given in San Diego last week and was very well received. There were questions about how it will be paid for, though.

Q: What about a panel discussion at each public hearing with local, regional, and state people to translate the Plan into a more regional focus? Put some of the people on the panel that you expect to help create the regional plans.

A: Good suggestion, but we'll have to think about it in terms of time. It may be feasible at some workshops and not others. Maybe the Advisory Committee can help put these together.

Advisory Committee Meeting

April 14, 2005

9:00 a.m.-3:30 p.m.

Sterling Hotel, Sacramento

Q: How will public comments be handled?

A: DWR subject matter experts and staff will take a first shot at how to address comments. At the August AC meeting this information will be presented and the AC can give feedback. All comments will be posted on the public website at www.waterplan.water.ca.gov.

Q: People may wonder, you've spent nearly five years on this process, will my comment really change anything at this point?

A: Hard to say up front what weight each comment will get, but we certainly will give each comment due consideration.

Q: You may want to point out that it's a continuing process as we move into future updates of the Plan, so comments will go into that process and be considered throughout. All comments may not get addressed in this iteration, but could get addressed in future iterations.

A: Good point.

DOCUMENT REVIEW AND DISCUSSION

The Advisory Committee was asked if they had any questions about the *Highlights* document.

Q: Could DWR create a stock PowerPoint presentation that Advisory Committee members could use when they get called on to give talks about the plan?

A: Yes. DWR will work on that. It will probably be an adaptation of Kamyar's presentation for the public workshops.

The *Highlights* document will not change until after the public hearings when DWR prepares the final version of the Plan.

RECAP OF ANALYSIS OF SCENARIOS AND RESPONSE STRATEGIES

Speaker: Ken Kirby, Active Curiosity Inc.

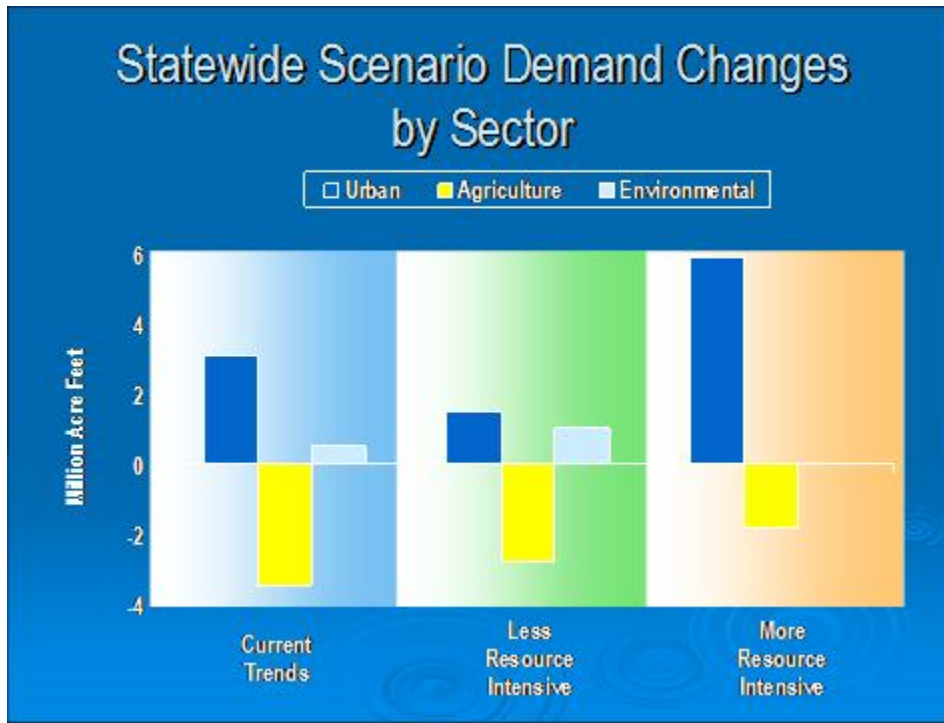
See PowerPoint presentation: "Scenarios and More"

Q: Isn't calling these "no action" scenarios misleading?

A: That's a good comment. The scenarios reflect what would happen if water managers were to continue current actions as defined in each scenario.

DISCUSSION ON “STATEWIDE SCENARIO DEMAND CHANGES BY SECTOR” GRAPH

Because several AC members expressed concern about the “Statewide Scenario Demand Changes by Sector” bar graph on the draft Public Hearings presentation, Ken Kirby addressed it separately.



Q: This graph is not clear

Q: Can the yellow bar for agriculture be divided into what's gained by water use efficiency and what's gained by land leaving agricultural production?

A: Can't really get to that in such a macro view. It may vary greatly by region.

Q: This graph is cause for alarm as someone who represents a primarily rural/agricultural area. As soon as they see it, they're already going to be getting into "yes, but" mode. Concern is the effect it will have on the discussion if we don't get ahead of it somehow in the presentation. It would be better if the information was presented regionally.

Q: Given that the *Highlights* document won't change until after public review, this is a preview of the comments you'll see over the next few months. Perhaps you could avoid these types of comments by showing percentage representation rather than acre feet. Make sure people understand that despite the

Advisory Committee Meeting

April 14, 2005

9:00 a.m.-3:30 p.m.

Sterling Hotel, Sacramento

drop in water for agriculture, agricultural productivity will increase by 20 percent. This makes it less scary.

Q: Really need to point out the basis for the scenarios (that they are just a continuation of current activities by water managers with no change). If you stress this, the graph is less disturbing to agriculture folks. They will understand because they understand the current trends.

Q: Chart says to me that if we do what we're doing, we're going to be using current agricultural water to meet the new and growing needs of urban areas.

Q: If scenarios are based on no change from current actions by water managers, then how do you explain the differences between the three scenarios? Also would like to see a fourth scenario stressing maximum efficiency.

A: The difference is in what others do, i.e. developers doing things differently. There are things outside the control of a water manager that influence what a water manager is left to deal with.

Q: Maybe include this type of explanation in the presentation.

Q: There's a perception problems. If urban folks see the big tall blue bar showing increased water use and think "what can we do to make that smaller," we all think that's a good thing because we want them to think about using less water. But then we assume that all the agriculture folks will think it's a bad thing that their bar is negative. It's all perception. Putting agricultural production numbers alongside tells another part of the story. Graph doesn't tell the whole story by any means.

Q: The graph is not intuitive.

A: Please send DWR ideas on how to make it more intuitive. Quantitative numbers are meant to challenge our ideas of what's real. They ARE by their nature counterintuitive! These things should make us ponder whether it makes sense in our view of the world. We want to challenge our understanding of the system.

Q: Make the point at the beginning that these are numbers that show water use but they show nothing about the economic well-being of the state, the productivity of the agricultural sector, etc. They show us how water is being used but not how efficiently, etc.

Q: How much should we really even devote to this in the public workshops? Does it just send us down the wrong road when we want to emphasize other things? Just something to think about. The agricultural sector doesn't necessarily think decreased water use is bad, as long as the water rights system remains intact and as long as water is still a commodity.

Q: The concern isn't what actually is happening, but what people will think is happening. This is like a *USA Today* graph whose sole purpose is to get people to read the article. It would be great if people saw the graph and then read the Plan, but if the graph is the only thing that ends up in the paper that's a bad thing.

STAFF UPDATES ON PHASE 2 WORK

New Water Plan Web Portal

Speaker: Jennifer Kofoed, DWR

See PowerPoint presentation: “New Web Portal Introduction”

The new Water Plan web portal is now live. The new address is <http://www.waterplan.water.ca.gov>. Through June, you will automatically be redirected if you go to old address. After that you will have to go to the new address. The new website contains the same information as the old site, but it is better organized and easier to navigate.

Phase 2 Water Portfolios

Speaker: Evelyn Tipton, DWR

See PowerPoint presentation: “Water Portfolios: The Journey Continues”

If anyone has data they feel would be useful, please send it to your DWR district office.

NEW TECHNICAL INFORMATION INCLUDED IN AGRICULTURAL WATER USE EFFICIENCY STRATEGY NARRATIVE

Speaker: Steve Hatchett and Mark Roberson, CA Bay Delta Authority (CBDA)

See PowerPoint presentation: “Agricultural Water Use Efficiency: Technical Analysis”

Guest speakers Steve Hatchett and Mark Roberson spoke on their work CBDA study that estimated the costs and benefits as part of the CBDA Year-4 Comprehensive Report. This new quantitative information was included in the Volume 2 resource management strategy narrative for Agricultural Water Use Efficiency.

Q: Great that we have this on the agricultural side in the draft, but why not in the urban? Why hasn't it been included yet?

A: The strategy narratives include the most recent information. We will update them if new information is available before the Final Plan is released.

ADVISORY COMMITTEE ROLES AND ASSIGNMENTS FOR PUBLIC HEARINGS

Speaker: Lisa Beutler, Center for Collaborative Policy (CCP)

See PowerPoint Presentation: “AC Role in the Public Workshop Process.”

Advisory Committee Meeting

April 14, 2005

9:00 a.m.-3:30 p.m.

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There was an idea this morning about having regionally focused panel discussions at the public workshops. Advisory Committee members could help organize these.

One of the key roles of the Advisory Committee will be to help get the regions to take ownership of the Plan. This isn't meant to be just DWR's plan or just a plan for state government, it is intended as a plan for everyone involved in water resource management.

REVIEWER'S GUIDE DISCUSSION

See handout: "Reviewer's Guide Text"

Advisory Committee members met in caucus groups to discuss the draft Reviewer's Guide document, which is a summary of their comments and questions concerning the Water Plan. The Reviewer's Guide will not be a DWR document but rather a document by the AC and CCP. Meant to be like a voter's guide, it is meant to help unfamiliar readers to better understand the multiple perspectives that exist on issues, where tensions still exist, and areas of broad agreement. The Reviewer's Guide will be posted on the Water Plan website and hard copies will be made available at the public hearings in June.

Because the AC did not have time to review the Water Plan Public Review Draft, which had only been released the day before, the AC was asked to respond with their feedback on the Reviewer's Guide in two weeks.

CLOSING REMARKS

Kamyar Guivetchi thanked all participants for their hard work, and acknowledged the important contribution by Lisa and the CCP facilitation team.

There were no comments by the general public.